



ENTERPRISE ZONE BUSINESS PERSONAL PROPERTY TAX CREDIT

State Form 13620 (R11 / 3-04)

Form EZ-1 (Adopted 1984 and Prescribed by the Department of Local Government Finance)

The records in this series are CONFIDENTIAL according to IC 6-1.1-35-9

**FORM
EZ - 1**

INSTRUCTIONS: (Specific instructions are detailed below and on reverse side.)

1. This form is to be filed in duplicate with the Auditor of the county in which property is located (IC 6-1.1-20.8).
2. This form is to be filed between March 1 and May 15 of the year for which the person reports the property for assessment unless a filing extension under IC 6-1.1-3-7(b) has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date for that year (6-1.1-20.8-2.5). An extension for this form does not apply to the Enterprise Zone Business Registration Form (Form EZB-R) (State Form 42526).
3. Attach a copy of the current year Business Tangible Personal Property Assessment Return. (Front page of Form 103 only)
4. Persons filing this form (Form EZ-1) must complete Form EZB-R (State Form 42526). Form EZB-R must be filed with the Indiana Department of Commerce before June 1 of each year. Form EZB-R is available from the Community Development Division of the Indiana Department of Commerce, (317) 232-8911.

Taxpayer's name	Federal Identification number
Taxpayer's address	
Address where property is located	

I hereby certify that the above named taxpayer is liable for Business Personal Property Tax on inventory at the below listed location on the indicated assessment date.

Taxing district	Township	County	Date March 1, 20 ____
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I also certify that: (1) on the indicated assessment date, the inventory was in an enterprise zone designated by the Enterprise Zone Board; (2) the taxpayer did not substantially reduce or cease operations in Indiana in order to relocate in an Indiana enterprise zone; and (3) the taxpayer is entitled to a credit on the inventory in the following amount:

1. True Tax Value of inventory (Per Schedule B of Form 103)	\$	
2. Assessed Value of inventory (100% of True Tax Value of Line 1 above)		\$
Authorized signature of owner or representative	Title	Date signed
Full address of owner or representative (number, street, city, state)		ZIP code

DO NOT WRITE HERE - FOR USE BY COUNTY AUDITOR ONLY

I, Auditor of the county named below, hereby certify that this claim for deduction was filed with this office on the date noted below, and having been referred this application, do hereby make the following determination:

Signature of County Auditor	County	Date filed
Approved amount of assessed value for determining tax credit for:	March 1, 20 ____ Payable 20 ____	Amount \$

IF CLAIM WAS DENIED PARTIALLY OR IN TOTAL, AUDITOR MUST COMPLETE THIS SECTION

1. If approved amount is different than Line 2 above, explain		
2. This claim is being denied in total due to one of the following reasons:	<input type="checkbox"/> Application was not timely filed in accordance with instruction 2 above	<input type="checkbox"/> Other (attach explanation)
	<input type="checkbox"/> Business is not located within established enterprise zone boundary	

SPECIAL INSTRUCTIONS

1. County Auditor must notify the applicant and the Department of Local Government Finance of the above determination before August 15 of the year in which the application is made.
2. If the applicant is in disagreement with County Auditor's determination, the applicant may appeal for a review of the application by the Indiana Board of Tax Review. An appeal is perfected by the filing of a written request for review with the Indiana Board of Tax Review no later than thirty (30) days after the date on the County Auditor's notice. The request must: (a) state the name of the applicant; (b) identify the application; and (c) state the reasons the applicant believes that the County Auditor's decision is incorrect.
3. The Indiana Board of Tax Review shall review the application of any applicant who files an appeal as described above, or may review any application, and if it finds that the applicant has been denied but is eligible or that the applicant is not eligible, the Board shall notify the applicant and the County Auditor of the Board's decision to allow or disallow the credit.

INDIANA BUSINESS RELOCATION DEFINITIONS AND POLICY (IC 4-4-6.1-6)

- 1.) Any Business which substantially reduces or ceases an operation in Indiana and outside an enterprise zone, (referred to as a non-zone operation) in order to relocate in an Indiana enterprise zone is disqualified from benefits or incentives available to zone businesses. (IC 4-4-6.1) The criteria to be used by the enterprise zone board is as follows:
 - a.) Business Operation - A site specific economic activity, including sales, leasing, service, manufacturing, production, storage of inventory, or any activity involving permanent full-time or part time employees shall be considered a business operation.
 - b.) Substantially Reduce - With respect to a non- zone operation, any of the following that occurs during the twelve (12) months before relocation in the zone as compared with the twelve (12) months before that twelve (12) months shall be considered a substantial reduction:
 - (i) A reduction in the average number of full-time or part-time employees of the lesser of one hundred (100) employees or twenty-five (25%) of all employees.
 - (ii) A twenty-five percent (25%) reduction in the average number of goods manufactured or produced.
 - (iii) A twenty-five percent (25%) reduction in the average value of services provided.
 - (iv) A ten percent (10%) reduction in the average value of stored inventory.
 - (v) A twenty-five percent (25%) reduction in the average amount of gross income.

ENTERPRISE ZONE INVENTORY CREDIT (IC 4-4-6.1-3)

- 1.) A person is entitled to a credit against his property tax liability under IC 6-1.1-2 for particular year in the amount of his property tax liability on enterprise zone inventory for that year. "**Enterprise zone inventory**" means inventory, as defined in IC 6-1.1-3-11, that is located within an enterprise zone created under IC 4-4-6.1 on the assessment date.
- 2.) A person who desires to claim the credit shall file a certified application, in duplicate, with the auditor of the county where the property for which the credit is claimed was located on the assessment date between *March 1* and *May 15* on the year which the person reports the property for assessment unless a filing extension under IC 6-1.1-3-7 (b) has been obtained. A person who obtains a filing extension must file the application between *March 1* and *the extended due date* for that year (6-1.1-20.8-2.5)
- 3.) The County auditor shall determine the eligibility of each applicant and shall notify the applicant and the Department of Local Government Finance of the determination before August 15 of the year in which the application is made. The notice must contain a statement that:
 - (a) The applicant is entitled to appeal a denial of eligibility;
 - (b) The Department of Local Government Finance may upon its own initiative, review the application and deny the credit.
- 4.) The enterprise zone inventory credit takes effect January 1, 1984, and first applies to property taxes payable after December 31, 1983.
- 5.) The enterprise zone expires **ten (10)** years from the day on which it is designated by the enterprise zone board. The two (2) year period immediately before the day on which it expires is the *phase-out period*. During the phase-out period, the Board may review the success of the enterprise zone based upon criteria in IC 4-4-6.1(3)(e) and may with the consent of the budget committee renew the zone including all provisions for no more than two (2) additional five (5) year periods.
- 6.) The enterprise zone board may designate up to **ten (10) enterprise zones** in addition to any enterprise zones which the federal government may designate in the state. After January 1, 1988, the board may by seven (7) affirmative votes increase the number of enterprise zones above ten (10), but it may add no more than two (2) new zones each year. There may be no more than one (1) enterprise zone in any municipality. After approval by resolution of the legislative body, the executive of any municipality that is not an included town under IC 36-3-1-7 may submit one (1) application to the enterprise zone board to have one (1) portion of the municipality designated as an enterprise zone.
- 7.) Any business which substantially reduces its operations or ceases operation in Indiana, as determined by the enterprise zone board, in order to relocate in an Indiana enterprise zone, is not eligible for the provisions of this chapter.
- 8.) Whenever federal or state monies are available for job training purposes, consideration shall, to the extent possible, be given to training residents of enterprise zones in industry specific skills relevant to the resident's particular zone.

ENTERPRISE ZONE BOARD

The Board shall evaluate and approve or reject all applicants for enterprise zone designation, according to the following criteria.

THRESHOLD CRITERIA (IC 4-4-6.1-3)

- 1.) A poverty level in which twenty-five percent (25%) of the households in the zone are below the poverty level as established by the most recent United States census or average rate of unemployment for the most recent eighteen (18) month period that is at least one and one half (1-1/2) times the average statewide rate of unemployment.
- 2.) A resident population of more than two thousand (2,000) but less than ten thousand five hundred (10,500).
- 3.) An area of more than three-fourths (3/4) square miles but less than four (4) square miles, with a continuous boundary entirely within the applicant municipality.
- 4.) Property suitable for the development of mix of commercial, industrial, and residential activities.
- 5.) The appointment of an "Urban Enterprise Association" that meets the requirements of IC 4-4-6.1-4.
- 6.) A statement by the applicant indicating its willingness to provided certain specified economic development incentives.

ADDITIONAL CRITERIA (IC 4-4-6.1-3)

- If an applicant has met the threshold criteria, the board shall evaluate the application, arrive at a decision based on the following factors, and either designate a zone or reject the application:
- 1.) Level of poverty, unemployment, and general distress of the area in comparison to other applicant and non-applicant municipalities and the expression of need for an enterprise zone over and above the threshold criteria.
 - 2.) Evidence of support for designation by residents, businesses, and private organizations in the proposed zone.
 - 3.) Efforts by the applicant municipality to reduce the impediments to development in the area.
 - 4.) Significant efforts to encourage the reuse of existing zone structures in new development activities to preserve the existing character of the neighborhood, where appropriate.
 - 5.) The proposed managerial structure of the zone and capacity of the "Urban Enterprise Association" to carry out the goals and purpose of enterprise zones.

U.E.A. - URBAN ENTERPRISE ASSOCIATION (IC 4-4-6.1-5)

- 1.) An urban enterprise association shall do the following:
 - (a) Coordinate zone development activities.
 - (b) Serve as a catalyst for zone development.
 - (c) Promote the zone to outside groups and individuals.
 - (d) Establish a formal line of communication with residents and businesses in the zone.
 - (e) Act as a liaison between resident, businesses, the municipality and the board of any development activity that may affect the zone or zone residents.
- 2.) An urban enterprise association may initiate and coordinate any community development activities that aid in the employment of zone residents, improve the physical environment, or encourage the turnover or retention of capital in the zone.
- 3.) Recommend that the board modify a zone boundary or disqualify a zone business from eligibility for one (1) or more benefits or incentives available to zone businesses.
- 4.) The U.E.A may ask the legislative body of the municipality in which the zone is located to modify or waive any municipal ordinance or regulation that is in effect in the zone. The legislative body may, by ordinance, waive or modify the operation of the ordinance or regulation, if that ordinance or regulation does not affect health (including environmental health), safety, civil rights, or employment rights.
- 5.) The U.E.A may ask the enterprise zone board to waive or modify any state rule that is in effect in the zone. The board shall review the request and may approve, modify, or reject it. Approval or modification by the board shall take place after review by the appropriate state agency. A modification may include but is not limited to establishing different compliance or reporting requirements, timetables, or exemptions in the zone for a business or individual to the extent that the modification does not adversely affect health, (including environmental health), safety, employment rights, or civil rights. An approval or modification of a state rule by the board takes effect upon the approval of the governor.